

Report to: **Cabinet**

Date of Meeting: 29 November 2017

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: **14**

Subject: Queen's Drive Regeneration Project


Purpose of report: The purpose of this report is to provide an update to Members on the current status of the Queen's Drive regeneration project and to detail the progress of the last 12 months. The report covers progress with planning permissions; Phase 1 road and car park works, Phase 2 Grenadier Estates and the watersports centre; temporary uses for 2018; Phase 3 Visioning Exercise; overall programme and budget.

Recommendation: **That Cabinet;**

- 1. Notes the successful and extensive consultation process undertaken by Grenadier Estates for phase 2, the watersports centre and public space, in preparation for a submission of a detailed planning application.**
- 2. Approves the appointment of Dyer and Butler as the contractor for the road and car park site and gives delegated authority to the Deputy Chief Executive in consultation with the Portfolio Holder for Economy and Strategic Lead (Governance and Licensing) to enter into the contract for the works and any associated highway related agreements.**
- 3. Approves the updated budget position and detailed budget allocation (attached at appendix 2) which remains within the overall existing budget approved by Council in November 2016.**
- 4. Give delegated authority to the Deputy CEO in consultation with the Chairman of the Exmouth Regeneration Board to take forward a Visioning Exercise for the uses and design of the phase 3 area of the site which will involve a detailed community engagement process in the new year.**
- 5. Give delegated authority for the Deputy Chief Executive in consultation with the Portfolio Holder for Economy and Strategic Lead (Governance and Licensing) to take forward and deliver plans for temporary uses to take place on the phase 3 area to create a new mix of attractions for visitors and local residents for the 2018 season onwards.**

That Cabinet recommends that Council;

- 6. Appoint two Members to act as Directors of the Queens Drive Exmouth Community Interest Company**

Reason for recommendation:	<p>To enable the Queen's Drive regeneration project to progress to the next stages of delivery in the case of the road and car park;</p> <p>To ensure that the site remains available for use by the public as a leisure and play area whilst plans are being prepared for its redevelopment;</p> <p>To ensure that a comprehensive review of opportunities for the regeneration of the phase 3 area are reviewed with the benefit of external expertise and that the community participates in this process.</p>
Officer:	Alison Hayward 01395 517138
Financial implications:	The financial details are contained in the report and the overall project is estimated to remain within the approved budget sum (£3.120m). A request is being made to refine the budget allocation to elements of the projects as detailed in the report.
Legal implications:	There are no specific legal issues requiring comment. The legal team will be involved in the various ongoing activities (reflected in the Recommendations) to ensure legal issues are identified and addressed as these aspects of the project move forward.
Equalities impact:	Low Impact
Risk:	<p>Medium Risk</p> <p>Risk is inherent in a complicated phased development project of this nature. Risks are being managed and reported to SMT on a regular basis. The project has been subject to some delay as previously reported, but budget is allocated, sites are returning to council control, planning permission is in place and the phased development is moving forward as anticipated.</p>
Links to background information:	 http://eastdevon.gov.uk/media/1911506/091116combinedcabagenda-sm.pdf
Link to Council Plan:	Developing an outstanding local economy, and an outstanding local environment.

Report in full

1. **Phase 1 – Road and Car Park**
 - 1.1 Reserved Matters Planning Permission for Phases 2 and 3
 - 1.2 The reserved matters application was submitted in December 2016 and was approved in April 2017. The comprehensive reserved matters planning approval means that the necessary planning permission is in place to commence work on the road and car park. This also enabled Grenadier to come forward with their proposals.

1.3 Contractor Appointment

A competitive tender exercise has been undertaken using the Council's approved e-tendering portal to select a contractor to build the new road and car park. The process was undertaken with support and guidance from the Devon County Council Procurement Services. The council's external advisors WSP prepared the necessary contract documentation and the Invitation to Tender was advertised in June.

1.4 Seven companies submitted a tender for the road and car park works. The tenders were assessed by the external advisors in conjunction with officers from the Council's Engineering Team and Regeneration and Economic Development Team in accordance with the evaluation criteria as set out in the tender documents. The assessment was on the basis of 70% price and 30% quality. A series of qualitative questions were included to assess quality.

1.5 Following this tender analysis, the company with the highest overall price/quality score was Dyer and Butler. They represented the best value overall, taking account of the quality, capability and experience as set out within the tender document.

1.6 Their financial standing has been assessed by the Strategic Lead for Finance.

1.7 Dyer and Butler is an experienced engineering contractor with almost 30 years' experience of delivering major highways, transport and other engineering projects including a number of successful projects for EDDC. Dyer and Butler have an office in Exeter which will oversee this project for the council.

1.8 Delays to the programme as outlined below, mean that the expected start on site date for the road and car park is now March 2018. The preferred contractor has confirmed that they will hold their tender price for an additional period of 112 days so that there is no increase in cost.

1.9 Approval is sought under recommendation 2 above for the appointment of Dyer and Butler and for the Deputy CEO to enter into the necessary contract and Highways Agreement to enable a start on site in March 2018.

1.10 The more detailed programme for the entire project is covered in section 6 below and provided at appendix 1. The budget position is covered in section 5 and provided at appendix 2. A revised Journey Planner is provided at appendix 3.

2 Phase 2 – Watersports Centre and Grenadier Estates

2.1 The Council has now entered into the Development Agreement with Grenadier Estates for the delivery of the watersports centre. This requires that the lease be granted once Grenadier has its planning permission and the road and car park has been built. The lease is for a period of 125 years and grants occupation of the land. The Development Agreement sets out the terms under which Grenadier will deliver a watersports centre on the site. The Council retains freehold ownership of the site.

- 2.2 Grenadier will be required to secure a planning permission for the new centre. The legal agreements are specific in terms of the uses that Grenadier can incorporate alongside the primary use of the watersports centre such as retail, cafes, restaurants, open space and concessions for food and drink. Once Grenadier's capital investment has been repaid, the lease will be transferred to the Community Interest Company which will then have direct sub-leases with the individual operators, for example the watersports operator.

Watersports Centre Scheme Proposal

- 2.3 The proposals for the watersports centre covers 1000 sq. m and is expected to offer services throughout the year. It includes the following uses:

- ☐ Watersports centre with training and changing facilities
- ☐ Café
- ☐ Restaurant
- ☐ Changing facilities
- ☐ Outdoor showers
- ☐ Cluster of compact retail units for a variety of uses e.g. food offer
- ☐ Outdoor events space (with water and electric power supply)
- ☐ Parking for up to 60 cars with some electric charging points

The design features include:

- ☐ Timber clad building mostly single storey with some 2 storey
- ☐ Fully accessible for people with disabilities
- ☐ High quality sustainable, natural materials including, wood, stone, copper cladding, steel and glass, (locally sourced where possible)
- ☐ Ambition to reduce carbon footprint of the building
- ☐ Low energy usage, highly insulated; use of natural ventilation;
- ☐ Green technologies including solar panels, reducing reliance on fossil fuels
- ☐ The existing pavement and cycle path will remain at the same width as current.
- ☐ Ramp access to the beach
- ☐ Two new stepped access points to the beach

It is reassuring that the Grenadier proposal have retained the mix of uses originally proposed within sympathetically designed, high quality building and public space.

Not for Profit

- 2.4 The watersports centre will operate on a not for profit basis. The land is being leased to Grenadier Estates at nil cost by the council. The cost of building the centre (fully paid for by Grenadier) will be recouped by Grenadier (with nil interest) over a period of years from the rental income it receives from the operators in the centre. Following recouping of the cost, the new development will be transferred to a Community Interest Company.

Community Interest Company and the Legacy for Exmouth.

- 2.5 The Community Interest Company will have Directors from both Grenadier and the council as shareholders. There will be no distribution of dividends or other income to the Directors. Instead, all the future income after running costs (e.g from the tenants of the CIC) will be used to fund community based projects for the benefit of Exmouth. There is therefore an opportunity to create a long-lasting legacy for Exmouth.

The CIC has now been created and is called the Exmouth Queen's Drive Community Interest Company. The council is therefore now required to appoint its two directors to the CIC.

Community Consultation.

- 2.6 Grenadier have now consulted on their proposals They held three consultation events at the end of October which were well attended and provided information on-line to enable consultation responses. Feedback from the local community and Grenadier has been that whatever the views expressed, the consultation exercise has been very well received and attended.
- 2.7 The consultation flyer with the illustration of the proposals can be found at appendix 4 attached and at this link <http://watersportscentreexmouth.co.uk>
- 2.8 Grenadier is due to submit their application on 28 November. The usual Planning Authority consultation process will commence shortly thereafter.
- 2.9 The timetable for processing the application could allow for the application to be heard at the Development Management Committee on 6 March 2018.

3 Phase 3 – Vision and Design Exercise

- 3.1 The council has committed to undertake a new visioning exercise for the phase 3 area of the site. This will involve independent consultancy engaging with the community to explore the future mix of leisure uses for this important seafront location.
- 3.2 This work will commence early in the new year and this will be preceded by a programme of information and marketing to ensure that as many people and businesses in Exmouth and more widely reflecting all age groups can become involved in having their say.
- 3.3 This consultation exercise will result in new options for the future of the site and a strategy for delivery of a new permanent mix of leisure facilities and attractions.

4 Temporary Uses for the Site

- 4.1 The Council is committed to ensuring that the remainder of the site is utilised for a vibrant mix of play and leisure activities including free play facilities, pending

the delivery of the permanent vision for phase 3. The highly successful Big Wheel and outdoor cinema events managed by Streetscene over summer 2017 indicate the level of interest in new and large scale attractions. We will look to bring back the Big Wheel and cinema in 2018.

- 4.2 The intention is three zones will be created within the vacant site that can offer free children's play, event space and a food/drink and seating area respectively. The site plan at appendix 5 indicates these zones. The opportunities identified so far could be:

Food & Seating Zone

Pop up cafes and food kiosks with a range of food and drink offers, informal and flexible seating area with the option of a large sail canopy for shading. The area will be lit for evening use as well. Rental income will be derived from the traders.

Play Zone

A free play park area suitable for younger and older children and their families. The play equipment that we invest in for this area will be able to be reused and relocated prior to any permanent development.

Flexible Entertainment & Event Zone

Occasional events at weekends, evenings, school holidays to include outdoor cinema and big screen for sporting events such as the 2018 World Cup and Wimbledon, outdoor theatre, craft fairs, music events, and specialist shows. This will be a mix of free and ticketed events.

- 4.3 The updated budget allocation (see appendix 2) includes funding for temporary facilities within the existing budget approval.
- 4.4 The Council will be procuring the play equipment directly and has been in discussion with a number of food festival and similar operators in relation to the food and events zones. A programme of events will be managed within the area. The overall purposes is to provide a mix of entertainment and attractions across the season.
- 4.5 A planning application for temporary uses is in preparation to establish parameters for the provision of temporary uses. The application will seek approval for the uses to be in place from spring 2018 through to autumn 2019. This gives flexibility for the opening times to go into the autumn and winter time, subject to demand.
- 4.6 The council has been exploring opportunities for how the site can be managed and is seeking to bring in external expertise to act as an Event Manager to oversee the delivery of the events area.
- 4.7 Alongside this commissioning process, the council is encouraging people and businesses, to submit ideas of what they would like to see. This process will commence shortly with an on-line comment form that we will publicise.

To enable all of this to happen, the site has been left in a poor condition and the council will be doing some enabling works to make it safe for public leisure use. The costs of these works are included in the revised budget.

5. Budget

- 5.1 In November 2016, the council approved a budget of £3.1m for the Queen's Drive project to cover the various costs associated with bringing forward the project and to cover the enabling works of delivering the phase 1 road and car park.
- 5.2 The budget requirement remains at the same level of £3.1m. This has been a major project which has been reported to SMT regularly. At appendix 2 is the latest breakdown of forecast and actual budget spend. Members will note that we remain on target within the existing approval and there are elements identified within the existing approval to deliver temporary uses in line with our commitment to maintain a vibrant and attractive seafront.

6 Timeline and Phasing

- 6.1 The programme for delivery is now anticipated as set out at appendix 1. Work on phase 1 (road and car park works) is expected to start in March 2018.

November 2017	Phase 2	Grenadier submit planning for watersports centre
December 2017	Phase 3	The council submits planning application for Temporary Uses
Early 2018	Phase 3	Permanent, Visioning Exercise for new designs, uses and delivery mechanism,
Early 2018	Phase 3	Review options for marketing the café site
March 2018	Phase 2	Planning decision for Grenadier for the watersports centre
February 2018	Phase 3	Planning decision on Temporary Uses
March 2018	Phase 1	Start on site with road and car park
Easter 2018	Phase 3	Temporary Uses open to the public
Summer 2018	Phase 3	Post completion of Vision exercise, review delivery strategy
Autumn 2018	Phase 1	Completion of road and car park – open to the public
Autumn 2018	Phase 3	Delivery strategy commences for permanent leisure offer
Winter 2018	Phase 2	Start on site for watersports centre
2019	Phase 3	More detailed proposals for consultation
2019/20	Phase 2	Completion of Watersports Centre

- 6.2 The timeline is set out at appendix 1. The Revised Journey planner which indicates more visually the sequence of events, is set out at appendix 3.

7 Conclusion

- 7.1 The Queen's Drive project remains a complex project which has achieved some key milestones during the year concluding with the exciting new proposals for the watersports centre which have now been shared with the public. The project remains on course and within budget and Exmouth can now look forward to the delivery stage finally commencing in 2018.